

PITTSBURGH



DOWNTOWN

PARTNERSHIP

Final
2006 BUSINESS PLAN

January 18, 2006

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EXECUTIVE SUMMARY

PDP stakeholders, membership and community leaders agree there is momentum building in Downtown Pittsburgh. Significant new private investment in office and retail, increasing demand for Downtown living, new regional venues and a growing awareness of the river-edge is making Downtown a unique American urban center. These positive changes provide a more compelling Downtown experience for shoppers, employees, visitors and investors alike.

In 2006, the Downtown Pittsburgh Partnership (PDP) will concentrate efforts to create an even more exciting mix of Downtown activity, expand the positive Downtown message, highlight Downtown's momentum, invite people throughout South Western Pennsylvania to come and experience their City and renew the Business Improvement District (BID).

The PDP will expand the message of a more robust and compelling Downtown!

In 2006, the PDP will continue to focus on maintaining a clean downtown, while at the same time strengthening perceptions of Downtown as a safe place. PDP will advocate for projects that leverage high economic impact such as Piatt Place, Three PNC Plaza and new housing initiatives, along with continued attention to the Market Street District. The PDP will actively participate in decisions regarding bus circulation, the location and impact of a gaming casino and reduction of the parking tax. PDP will implement comprehensive office retention and recruitment and residential development programs and champion the continued use of The Downtown Plan. In addition, the PDP will support other important projects such as the work of the Cultural District, Urban Redevelopment Authority and Downtown colleges and universities.

The PDP will advocate for projects to continue building momentum Downtown.

In 2006, the PDP will expand and refine its marketing message and implement an aggressive public relations campaign. This campaign will clearly articulate the positive changes occurring Downtown and Downtown's importance to a healthy regional economy, while simply inviting people to experience a 'new' Downtown Pittsburgh.

The PDP is a mature and increasingly visible organization that has become a respected and innovative partner in Pittsburgh's urban development. The PDP will focus on aligning its administrative, membership and governance structures to assure the efficient and effective delivery of existing and new programs on behalf of its stakeholders - all those interested in a healthy Downtown. PDP will continue to serve the property owners in the BID and its membership by providing increased value and strategically allocating resources to maximize effectiveness.

The 2006 PDP Business Plan is aggressive, timely and filled with value for the Downtown and the entire region.

OVERVIEW

Vision

Downtown Pittsburgh is one of America's great urban centers.

Mission

The Pittsburgh Downtown Partnership provides dynamic leadership and a consistent voice to improve the vitality of Downtown through enhanced services, advocacy, collaboration and marketing.

Strategic Initiatives

The PDP actively pursues four Strategic Initiatives in partnership with other organizations and the community:

- A **Clean and Safe** strategy to maintain and promote an inviting Downtown experience (through the BID);
- An **Advocacy and Public Policy** strategy to encourage the adoption of governmental policies, tools, guidelines, and incentives to support the realization of Downtown's full potential;
- A **Transportation and Parking** strategy to address issues to strengthen the ability to access the Downtown offering of employment, living, culture, shopping, entertainment and the rivers; and
- A **Housing and Commercial Development** strategy to increase the livability of Downtown, generate jobs and economic vitality supportive of existing and new residential and commercial activity.

Funding

The PDP has five main funding sources to support its initiatives. First, as the management entity for Downtown's BID, the PDP receives funding from **assessments** paid by Downtown property owners. Under its agreement with the City of Pittsburgh to manage BID activities, the PDP provides marketing efforts for Downtown and oversees the implementation of Downtown enhanced public services, which include a clean and safe program and street/infrastructure maintenance. Second, as a **membership** organization, it receives dues from voluntary members from throughout the community who want to invest in the future of Downtown. Third, through the support of **foundations** the PDP advances the Downtown vision through important project specific activities. Fourth, the PDP receives **government grants** and fifth through **earnings** from advertising and sponsorships.

PDP Partners

The PDP works with a range of organizations to deliver its vision of Downtown. Its partners include government agencies and neighborhood associations, as well as business, community, civic, and cultural organizations.

PDP 2006 PRIORITY ACTION ITEMS

The following Priority Action Items within each of the Strategic Initiatives will take priority regarding staff time and resource allocation. This refined list of projects is both manageable and will result in the delivery of a high quality Downtown product.

Clean and Safe

- Execute a new Memorandum of Understanding with the City of Pittsburgh
- Establish a new Safety Ambassador program
- Improve the efficiency and effectiveness of the Clean Team program
- Facilitate increased Downtown security coordination

Advocacy and Public Policy

- Establish public policy development process within the PDP
- Advocate for timely issues
- Coordinate a discussion of city-county downtown development Task Force

Parking and Transportation

- Assist advancement of the Traffic Optimization Plan
- Support parking tax advocacy efforts
- Advance Traffic Signal Upgrades
- Provide for North Shore Connector mitigation
- Advance a new Parking Validation program

Housing and Commercial Development

- Secure Foundation funding for 3-year housing program (Phase Two)
- Aggressively create awareness of Downtown Living
- Lead effort to locate a grocery store Downtown
- Encourage neighborhood retail through pedestrian and resident survey/research

- Implement the adopted Office Retention and Recruitment Strategy
- Advance the redevelopment of the Market Square District (Fifth and Forbes)
- Encourage the retention of existing retail
- Encourage redevelopment of upper vacant floors throughout Downtown

Marketing

- Incorporate Downtown Living and Transportation into PDP message
- Develop a new Strategic Marketing Plan
- Deliver strategic events that deliver the PDP mission
- Provide consistent communications

Governance and Administration

- Secure BID Renewal
- Implement Strategic Plan recommendations
- Implement new Employee Handbook
- Refine the PDP Membership Strategy
- Refine the PDP Foundation Funding Strategy

2006 STRATEGIES AND ACTIONS

The PDP will concentrate its efforts on the implementation of the actions items defined in the PDP 2011 Strategic Plan.

The 2006 priority action items will require a high degree of organizational focus and the strategic use of resources, a willingness to accept change and nurturing key partnerships. To be successful, the delivery of real value to our property owners and members must be the priorities for the Board of Directors and staff throughout 2006.

Clean and Safe

Strategic Direction: *Deliver high quality and cost-effective clean and safe (BID) services to create and maintain Downtown a visually attractive destination enhancing perceptions of Downtown as a clean and safe regional asset that attracts people and investment.*

Priority Action Items

- Negotiate a new Memorandum of Understanding with the City of Pittsburgh regarding basic levels of city service in Downtown upon which the BID clean and safe services will be provided.
- Establish a Safety Ambassador program by July 2006. Focus program on strategic areas and times of day/night that have greatest need for security presence (e.g. after dark, weekends, panhandling locations).
- Enhance the level of service provided by the Clean Team by eliminating visibility of yellow trash bags next to garbage cans and power washing garbage cans and surrounding sidewalk areas.
- Facilitate regular conversations with City police, Port Authority police, school police, private security personnel and building managers to better address Downtown safety issues.

Action Items

- Work with strategic partners to develop and implement a plan for speedy removal of graffiti.
- Maintain ongoing dialogue with social service agencies to regarding homelessness, mental health, addiction and panhandling issues that effect Downtown.
- Continue to keep Downtown attractive with increased street tree and landscape enhancements.

Advocacy and Public Policy

Strategic Direction: *Engage the membership, the Board, community leaders and our elected officials to advocate and promote important Downtown policy issues and initiatives. Develop support for legislative and capital requests advantageous to Downtown.*

Priority Action Items

- Establish a Task Force by the end of the second quarter to review and prioritize key Downtown policy issues. Advocacy issues will include BID Renewal; Parking Tax, New Mellon Arena; State Residential Tax Credits; Dedicated Public Transit Funding, the location of the gaming casino and others.
- Establish a procedure to secure broad PDP organizational input into key policy issues to determine the appropriate PDP position.
- Advocate for the 2006 capital and legislative agenda through participation in the Chamber of Commerce trip(s) to Harrisburg and Washington DC as appropriate.

Action Items

- Increase City and County leadership involvement in Downtown development.
- Integrate ongoing public relations messages around PDP advocacy activities.
- Identify appropriate strategic partners to assist in advocating for Downtown policy issues.

Transportation and Parking

Strategic Direction: *In partnership with the City of Pittsburgh and other partners,, continue to encourage efficient, safe and comprehensive transportation and parking options as necessary infrastructure to the further growth of Downtown.*

Priority Action Items

- Assist in implementation of the City of Pittsburgh's Traffic Signal Optimization Plan, including retiming signals along Grant Street and Liberty Avenue.
- Assist in the development of compelling arguments as a means of advocating for the elimination of the 2004 parking tax increase.
- Investigate feasibility of a Downtown car-sharing program to support residential development and, if deemed feasible, develop and implement a pilot program.
- Secure the necessary funding to develop and implement a strategy for mitigating the impact of the planned North Shore Connector project.
- With the Pittsburgh Parking Authority and other parking operators develop, implement and manage a Downtown parking validation program if there is retailer demand.

Action Items:

- Continue to advocate for a dedicated source of funding for transit throughout the entire commonwealth, but most importantly in Southwestern Pennsylvania (i.e. PDP transit policy statement, lobbying, etc.).
- Gain an understanding of the components of Pittsburgh Parking Authority's current 'Downtown Parking Management Plan'.

Housing and Economic Development

Strategic Direction: *Generate new Downtown investment by stimulating interest and demand to retain, expand and recruit new residential and commercial development.*

Priority Action Items - Residential

- Secure Foundation funding commitments by the end of the first quarter for a three-year Downtown residential Phase Two Program to support and encourage the private sector to increase the supply of Downtown housing, including ownership, rental and affordable.
- Continue the aggressive and consistent Downtown public relations campaign to promote the Downtown full experience to create awareness of the exciting options in downtown living in and influence the choices of potential Downtown home buyers and renters.
- Lead the Downtown effort to locate a grocery store Downtown in support of residential living by the end of the second quarter of the year. Provide aggressive assist to the new grocer with financing and with marketing to downtown residents
- Contract for pedestrian count research in order to encourage the expansion of existing and location for new neighborhood retailers in downtown
- Conduct a survey of current residents to identify needed retail services for Downtown

Action Items

- Assist the Transportation Department in the creation of a car sharing program
- With the PDP Marketing Department and the DNA determine and coordinate two sustainable neighborhood oriented events in Market Square in 2006
- Assist the Parking Authority in the creation of a residential parking policy for new and existing residents
- Develop and maintain close relationships with brokers and property managers in order to promote the PDP housing objectives
- Establish a policy for PDP support of affordable housing in the Downtown

Priority Action Items - Commercial

- Continue the aggressive and consistent Downtown public relations campaign to promote the Downtown full experience and invite personal and business investment from throughout the region.
- Implement aggressive Office Retention and Recruitment resulting in a positive absorption of office space in the Downtown core through the provision of unique Downtown amenities; usable market information; aggressive public relations; collaboration with the local real estate community; partnering with other agencies; ombudsman services through City Hall and meaningfully address issues of Downtown employee and customer parking.
- Advance the redevelopment of the Market Square District through the Pittsburgh Downtown Task Force and provide ongoing support for announced projects such as Piatt Place and Three PNC Plaza and support new projects such as Madison Marquette and the redevelopment of the Lord & Taylor building.

- Provide services, support and special retail promotions to retain all existing retail with special focus on key retailers such as Saks, Macy's, Brooks Brothers, Jos. A. Bank and Larrimor's, as well as retail centers including One Oxford Centre, Fifth Avenue Place, Station Square and PPG Place.
- Encourage the reuse of upper floors through the creation of a database of available properties; connecting property owners with redevelopment financing; providing technical assistance and contacts with residential and commercial design professionals.

Action Items

- Engage the City of Pittsburgh and the local lending community in the creation of a local capital funding pool to advance Downtown development projects.
- Support the construction\development of hotels including the new Convention Center Hotel.
- Expand the amenity package Downtown (such as wi-fi, events, seamless child or eldercare).
- Review and revisit the Pittsburgh Downtown Plan Investors Prospectus

Marketing

Strategic Direction: *To be the central resource to support all marketing requirements for the organization and ensure PDP presents a consistent image and message, develops effective marketing materials, delivers successful events and markets Downtown in a positive way.*

Priority Action Items

- Assume responsibility for the Downtown Living Initiative and the transportation marketing to ensure messages, web sites and marketing materials are consistent with the overall Downtown image.
- Develop a new Strategic Marketing Plan to align with the five-year Strategic Plan. All marketing collateral materials and the PDP web site will be reviewed to ensure they represent the breadth and depth of the organization's mission.
- Continue to produce a series of successful events for Downtown including Walk and Dine; Thursdays with a Twist and Holiday/Light Up Night to attract and retain people to Downtown
- Capitalize on the national coverage from the 2006 Major League Allstar Game in July.
- Provide for ongoing communication with Downtown customers and PDP stakeholders through multiple communication and collateral pieces

Action Items

- Investigate with the DNA two 'neighborhood oriented' events in Market Square
- Use the PDP weekly and monthly newsletters (print and web site) as a communication tool for Downtown patrons, PDP membership, property owners and organizational partners.

Administration

Strategic Direction: *Enhance the financial sustainability and organizational flexibility of the PDP to carry out its mission and deliver the vision of a 'one of America's great urban centers.*

Priority Action Items

- Review the BID assessment rate, boundaries, term and adjust as appropriate and secure the renewal of the BID in 2006 by the end of the second quarter.
- Integrate the Downtown Living Initiative and the Transportation Management Association's staff and programs more fully into the PDP organization.
- Develop, adopt and implement an Annual Business Plan for the organization and tie it back to employee performance evaluations.
- Develop a more strategic and sustainable Membership program.
- Attract new members in order to increase revenue *and* retain 90% of PDP membership in 2006.
- PDP will conduct an internal review to ensure Foundation requests are aligned with the PDP strategic plan.
- Report regularly to the Office of the Mayor, City Council and Allegheny County on the status of Downtown and the activities of the PDP.
- Maintain and develop closer partnerships with existing regional organizations like the City of Pittsburgh, ACCD, CVB, PUMP and Pittsburgh Chamber of Commerce through the Strategic Alliance.
- Partner with key organizations with missions consistent with the PDP vision for Downtown including: Downtown Neighborhood Associate adjacent neighborhoods, SEA, Riverlife Task Force and others.

Action Items

- Review and implement personnel administrative procedures to maximize staff performance including a review of current staff capability to support strategic changes and align job descriptions.
- Create a new process for annual employee performance and evaluation tied to the annually adopted PDP Business Plan.
- Implement the updated Employee Handbook to provide organizational guidance.
- Improve Board efficiency by strategically reducing the number of Board members through attrition and attendance; reduce the number of standing committees, establish the Strategic Alliance with partner organizations, enhance the role of the BID committee and amend the bylaws as appropriate.
- Review the Strategic Action Plan annually to track progress and make changes as necessary.

RESOURCE REQUIREMENTS

The Downtown Pittsburgh Partnership assigns staff resources based on the requirements of the annual business plan. In order to maximize the effectiveness of the total resource mix, a percentage of certain staff may be assigned to PDP, TMA or BID in any given year.

President and CEO

The President of the Downtown Pittsburgh Partnership is responsible for the fiscal responsibility, program development, staff management, and accountability of the organization. The President will ensure that all requirements of the BID are fulfilled in a timely and professional manner. The President will provide management guidance to the Board of Directors, BID Committee and designated task forces. The President will assist in the development of this comprehensive Annual Business Plan for the entire organization.

Director of Finance and Development

The Director of Finance and Development is responsible for the management of the BID property owner data base; membership and foundation development and the overall financial management of the company. The Position is also responsible to coordinate the annual budget preparation and monthly financial tracking and reporting.

Director of Marketing

The Marketing Director develops and implements the annual marketing plan, oversees the development and production of advertising and promotional materials, coordinates media activities, supports events and directs market research activities. The Director of Marketing promotes Downtown and the organization's activities within the community and works closely with the President to generate positive public relations stories about the work of the BID and the health of Downtown.

Director of Operations

The Director of Operations is responsible for the daily management of the clean, safe and operational programs associated with enhancing municipal services in Downtown Pittsburgh. The Director will build and maintain key partnerships with the City of Pittsburgh to assure effective coordination with PDP clean and safe programs and the appropriate City of Pittsburgh departments.

Director of Transportation and Parking

The Director of Transportation and Parking will be responsible for the management of the TMA and parking issues associated with Downtown Pittsburgh. The Director is responsible for the planning, development, and implementation of all activities and initiatives associated with the PDP's Department of Transportation and Parking.

Director of Housing and Economic Development

The Director of Housing and Development will provide day-to-day administration of housing development and support services associated with office retention, expansion and recruitment and the advancement of the 5th Avenue District project. The Director of Housing and Development will work closely with the PDP President on defined projects that further the development of Downtown Pittsburgh, as well as long-term relationship building to affect the

local residential and commercial real estate professional's interaction with Downtown opportunities and challenges.

Safety Ambassador Manager (currently open)

The Security Ambassador Manager is responsible for the Safety Ambassador program. This includes daily management of the programs and all related budgets and personnel issues. The Manager will work closely with the Director of Operations in negotiating cooperative arrangements with the Pittsburgh Police Department, social service agencies and other partners. The Manager will report to the Director of Operations.

Transportation Planner

The Transportation Planner is responsible for providing ongoing assistance to the Director of Transportation in the planning, development, and implementation of all activities and initiatives associated with the PDP's Department of Transportation and Parking.

Marketing and Special Events Coordinator (currently open)

The Coordinator is responsible for all aspects of event planning, coordination and facilitation. This position also provides assistance to the Marketing Director in publications, including the Downtown Newsletter, Shop and Dine Guide, Calendar of Events, website content management and for creating printed and presentation materials for all departments.

Membership Coordinator

The Membership Coordinator is responsible for assisting in all aspects of fundraising and development of membership; maintains the PDP contact database and assists the Director of Finance and Development regarding PDP contact database issues, provides administrative support to the Membership Committee and manages PDP generic Outlook mailbox.

Office and Accounting Manager

The Office and Accounting Manager is responsible for the daily accounting functions of the PDP, for maintaining the accounting records, for fund management, for reconciling bank account and records on a monthly basis, and for filing all needed payroll or other corporate reports. Normal procedures include the accounts payable requisition process, payroll, accounts receivable, and the system record keeping process. The Manager also serves as the computer network administrator including troubleshooting, problem solving and general upkeep of the organization's operating network.

Receptionist/Administrative Assistant

The Receptionist/Administrative Assistant is responsible to greet visitors; answer incoming calls; open, sort, and distribute incoming mail; handle outgoing mail; type correspondence as required; copy information required for Board Meetings and assemble and send out; order refreshments for meetings and set up conference room; maintain office, coffee, and canteen supplies for the kitchen and the overall office; compile and forward information packages upon request; responsible for maintaining a neat and orderly reception area, as well as overseeing the cleanliness of the conference rooms and kitchen; clip articles from newspapers; help the marketing personnel with special events that are scheduled with mailings.

Contract Staff or Consultants

Contract staff may be used if PDP cannot afford adequate staff, work requirements do not require a full-time employee, or peak workloads demand short-term assistance. Contract staff may also

be used for specialized services such as security and maintenance. Where special expertise is required, consultants will be used as an appropriate alternative to staff resources.

2006 PDP Staff Allocation

The following chart represents the percentage of time allocated to PDP activities for each staff resource described above.

	PDP	TMA	BID
President and CEO	100%		0%
Director of Marketing	50%		50%
Marketing and Special Events Coordinator	50%		50%
Safety Ambassador Manager			100%
Director of Operations			100%
Director of Finance and Development	100%		
Office and Accounting Manager	80%		20%
Director of Transportation and Parking		80%	20%
<u>Development of Housing and Development</u>	<u>90%</u>		<u>10%</u>
<u>Transportation Planner</u>		80%	20%
<u>Membership Coordinator</u>	<u>100%</u>		
<u>Receptionist</u>	<u>100%</u>		

Pittsburgh Downtown Partnership

2006 Budget Summary

	2005 Budget	2005 Projected As of 9-30-05	2006 Budget
Unrestricted Income			
Budgeted/Projected BID Funds raised in the year	1,180,000	1,183,356	1,180,000
Other Income	5,000	6,536	5,000
Interest Earned	<u>8,000</u>	<u>25,052</u>	<u>25,000</u>
Total Unrestricted Income	1,193,000	1,214,944	1,210,000
 Cash Contributions/Revenues/Unrestricted Fund			
Marketing	254,000	226,926	252,500
Housing, Planning & Economic Dev.	29,500	35,991	391,370
Clean & Safe	25,500	34,723	34,000
Transportation	217,500	232,306	230,000
Administrative	<u>390,000</u>	<u>434,334</u>	<u>346,250</u>
Total Contributions/Revenues	916,500	964,280	1,254,120
 Revenues collected	 2,109,500	 2,179,224	 2,464,120
 TOTAL REVENUE	 2,109,500	 2,179,224	 2,464,120
 Expenditures			
Marketing	757,653	641,847	454,488
Housing, Planning & Economic Dev.	474,667	161,741	935,793
Clean & Safe	754,131	658,055	809,330
Transportation	237,500	252,305	250,000
Administrative	<u>566,815</u>	<u>638,454</u>	<u>558,725</u>
TOTAL EXPENDITURES	2,790,766	2,352,402	3,008,336
 Expenditures Funded from Carryover			
Foundations 2003 Carryover	271,721	125,750	134,927
Foundations 2004 Carryover	413,897	192,717	228,856

Strategic Investment Funds 2005 Carryover			185,000
Total Funded from Carryover	685,618	318,467	548,783
EXPENDITURES NET OF CARRYOVER	<u>2,105,148</u>	<u>2,033,935</u>	<u>2,459,553</u>
TOTAL REVENUE OVER EXPENDITURES	<u>4,352</u>	<u>145,289</u>	<u>4,567</u>
Opening Unrestricted Cash at January 1	219,382	362,385	507,674
Transfer from Unrestricted Fund Balance			(100,000)
Annual Revenue over Expenditures	4,352	145,289	4,567
Unrestricted End of year Cash	<u>223,734</u>	<u>507,674</u>	<u>412,241</u>
Restricted Cash Carry to 2006 -Oper	<u>25,000</u>	<u>363,783</u>	
Total Restricted and Unrestricted cash at year end	248,734	871,457	412,241

<u>BID SUMMARY</u>	2005 Budget	2006 Budget
Projected BID Funds	1,180,000	1,180,000
Other Income	5,000	5,000
Interest Earned	8,000	25,000
Total BID Income	<u>1,193,000</u>	<u>1,210,000</u>
Marketing	503,653	201,988
Housing, Planning & Economic Dev.	0	50,701
Clean & Safe	594,180	768,044
Transportation	20,000	20,000
Administrative	70,815	164,701
Total BID Expense	<u>1,188,648</u>	<u>1,205,434</u>
TOTAL REVENUE OVER EXPENDITURES	<u>4,352</u>	<u>4,566</u>
Total	<u><u>1,193,000</u></u>	<u><u>1,210,000</u></u>

Strategic Plan Graphic